ASN ARO SPI Meeting Minutes (29 June 98)

The bi-monthly ASN ARO SPI meeting was held on June 29, 1998 at Crystal Plaza 5 in the 5th floor conference room. Attachment (a) is the meeting agenda Attachment (b) is the attendees list. The meeting was chaired by Mr. Victor Jordan (ASN ARO support staff). The following is a summary of the meeting's salient issues and discussions:

SYSCOM Activity Notes:

NAVAIR (Ms. Jackie Mercer) reported that NAVAIR had an extremely successful Acquisition Reform Week (ARW), which included briefings by Boeing and Raytheon Systems Corporation representatives. An awards ceremony was also sponsored by NAVAIR during ARW to acknowledge the outstanding accomplishments of (55) of its SPI representatives. Ms. Mercer also reported that since the last meeting, NAVAIR has sent letters out to (13) new contractors to encourage new participation in SPI

PEO(TAD/SC) (Mr. Rob Innocenti) updated the group on the status of the Navy/Raytheon Systems Corporation (RSC) Corporate Management Council negotiations. Mr. Innocenti highlighted ongoing Navy concerns regarding the need for RSC to involve/inform its customers in its decision process when moving/substituting facility SPI processes. Mr. Innocenti specifically stated that while the Navy supports the philosophy behind RSC's proposed corporate council, RSC still must address accountability concerns if their corporate council is to be fully supported by the Navy. More specifically, if RSC can convince ADM Huchting PEO(TAD/SC) that their corporate plan will work with minimal impact on safety, reliability, etc., Mr. Douglass (DON Service Acquisition Executive) will support the effort. In conclusion, Mr. Innocenti informed the group that a Navy/RSC IPT has been assembled and will meet to address the RSC issue. The meeting is scheduled for 21-22 July 98.

NAVSUP/NAVICP (Ms. Bonnie Brown /Mr. Harold Stambaugh) provided a brief overview of NAVSUP activity. Ms. Brown reported that NAVSUP no longer provides SPI statistics in their regular metrics briefing to Mr. Douglass. Discussions with Mr. Stambaugh revealed that many issues have surfaced with Allied Signal (Phoenix AZ) that will need to be assessed by ARO. He also stated that White Papers have been forwarded for ARO disposition in accordance with SPI escalation procedures.

SPAWAR (Mr. Dennis Rilling) reported that SPAWAR is continuing its support of SPI with the latest activity split between two program offices--Rockwell Collins and Orbital Sciences Corp are the participating contractors. Mr. Rilling noted that near term costs are the norm for SPI implementation with the promise of long term savings.

SSP (Mr. Marc Pearlman) reported steady (SSP) participation in SPI. Mr. Pearlman provided ARO with a complete SSP SPI Summary for ARO reference.

PEO(USW) (Not in attendance).

MARCORSYSCOM (Not in attendance).

NAVSEA (Not in attendance).

SPI Issues:

DCMC SPI database.

Ms. Paula Metcalf (DCMC) briefed the group on the DCMC SPI database. Included in the briefing, Ms. Metcalf provided information as to how the database is setup, how it works, what type of information is collected, how often it is updated, and future plans to improve its accuracy and timeliness. During the briefing, Navy representatives expressed concerns that the type of metrics that are collected and reported do not accurately portray SPI savings. Specific references were made in regards to the emphasis that is placed on cost avoidance--and the fact that after 3 years of participating in SPI, the current database still cannot accurately breakdown reported cost savings/negotiated savings by service or by program office. Ms. Metcalf agreed that these were valid concerns and that there are significant accuracy and reporting problems that contribute to the problem. However, she did state that those users that are more familiar with the sort features of the Access database, will be better able to make use of the information that is collected.

In concluding her briefing, Ms. Metcalf reported that DCMC will sponsor a meeting (20-22 July 98) to discuss and plan improvements to the current DCMC database. She further noted that Service participants will be eligible to attend on the last day of the meeting to provide their ideas and recommendations to make the database more accurate and user friendly. It was recommended by the group that (resulting from the database meeting), DCMC develop and publish a POA&M that details the planned improvements along with their associated implementation timelines.

SPI-Long Term Perspective.

A general discussion was initiated regarding the 3 June 98 Long Term Perspective memo (posted on ARO home page) signed out by Dr. Gansler. The memo emphasizes SPI as the preferred mechanism to implement changes on existing contracts and a key initiative in support of civil-military integration. It was generally agreed that this memo is a step towards true integration of the civilian and military industrial base and that it signals the beginning of the next phase of SPI. As, discussed this transition is needed if we are to ever achieve DOD's goal of a performance based business environment. Questions were raised concerning what role the services will play in articulating block change modifications in performance language (as per the memo). Mr. Jordan informed the group that a tri-service IPT has already been formed to address specific DOD guidance regarding performance-based writing. The IPT has already met once for planning purposes, and is scheduled to meet in earnest in mid July.

ACTION ITEMS

- **ASN ARO** to develop a position paper to ADM Lockhart that details the savings/cost benefit data collection, analysis, and reporting practices for SPI.

- **ASN ARO** to investigate Tri-Service forum with DCMC to address cost savings and other pertinent SPI issues.

- **DCMC** to provide database access to all authorized Navy SPI representatives (ARO to coordinate candidate email addresses).

- **DCMC** to develop and publish a POA&M regarding database improvements and implementation schedule.

Note:
The next ASN ARO meeting is scheduled for Wednesday, 26 Aug 98 at 0900.
Please mark your calendar accordingly!

ASN ARO(RD&A) SPI MEETING AGENDA

June 29, 1998; 0900
Crystal Plaza 5, Rm. 500
Crystal City, VA

Meeting POC: Mr. Victor Jordan -703.602.2369
Jordan.Victor@hq.navy.mil

Opening Comments: Vic Jordan (ASN ARO support staff)

DCMC SPI Database   Ms. Paula Metcalf (DCMC) Tutorial, Q&A on database terminology, SPI consideration /Cost savings data collection, future data collection plans

SPI Activity Briefs:
NAVAIR
NAVSEA
MARCOR
NAVSUP
NAVICP
SPAWAR
PEO SC/AP
PEO(TAD)
PEO(USW)
SSP

Raytheon CMC Update   Mr. Rob Innocenti PEO(TAD/SC) to provide current status of Navy/RSC CMC

SPI Issues: SPI, A Long Term Perspective (OSD Ltr 3 Jun 98)
        - SPIs and Performance-based Language?

Open Forum: Questions, comments, suggestions, concerns

Adjourn

Attachment (a)

ATTENDEES
June 29, 1998

NAME	**ORGANIZATION**	**PHONE**
Mr. Victor Jordan	ASN (ARO Support Staff)	(703 602-2369
Jackie Mercer	NAVAIR	(301) 757-6624
Nicholas Ferrite	SSP (support)	(301) 946-5576
Harold Stambaugh	NAVICP	(215) 697-0799
Paula Metcalf	DCMC	(703) 767-3468
Marc Pearlman	SSP	(703) 607-3441
CDR Mike Delaney	PEO(TAD/SC)	(703) 602-0479x501
Bonnie Brown	NAVSUP	(717) 605-4166
Dennis Rilling	SPAWAR	(619) 524-7382
Robert Innocenti	PEO(TAD/SC)	(703) 602-0382x130

Attachment (b)